

PUBLIC DISCLOSURE

October 23, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIDELITY MANAGEMENT TRUST COMPANY

**82 DEVONSHIRE STREET H12B
BOSTON, MA 02109-3614**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Fidelity Management Trust Company (Fidelity Management)** prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated " Satisfactory ".

Fidelity Management is designated as a wholesale institution under the laws of the Commonwealth of Massachusetts. The CRA performance of wholesale institutions is assessed through the community development test. The primary purpose of the community development test is to consider the activity and initiatives of an institution's community development lending, qualified investments and services with the primary purpose of community development. The institution's responsiveness to community development needs is also evaluated.

Fidelity Management does not provide extensions of credit or credit facilities to retail customers. The institution engages in community development activities primarily through charitable contributions, the purchase of bonds, and involvement in local organizations. Given the nature of its business, Fidelity Management has a satisfactory level of community development services and qualified investments and has exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

PERFORMANCE CONTEXT

Description of Institution

Fidelity Management is designated as a wholesale institution under the laws of the Commonwealth of Massachusetts. As of September 30, 2001, the institution had total assets of \$109,306,916.

Fidelity Management is a non-bank bank grand-fathered under the provisions of the Competitive Equality Banking Act of 1987 (CEBA). The provisions of CEBA significantly restrict the activities in which Fidelity Management may engage. Fidelity Management's primary business is providing trust services to employee benefit plans, pension plans, corporations, and other institutional investors. Fidelity Management also provides personal trust and management services to individual customers. Fidelity Management does not engage in the business of making consumer loans, mortgage loans, or commercial loans.

Fidelity Management's main office is located at 82 Devonshire Street, Boston, Massachusetts. The main office is not open to the public. Fidelity Management also maintains an office located at 99 High Street, 12th floor, Boston. The public file for Fidelity Management is located at the High Street location.

Fidelity Management is a subsidiary of Fidelity Management & Resources Corporations, (FMR), which was incorporated in Massachusetts in 1977. Through its wide network of subsidiaries, FMR Corp. provides investment advisory, management and shareholder services to the Fidelity Investments family of mutual funds. FMR Corp. owns 100 percent of Fidelity Management. FMR Corp. provides investment and corporate administrative services to the bank and expenses are allocated to the bank for these services.

Fidelity Management manages its CRA activities with a two-pronged approach. The institution seeks investments in securities issued by local governments and agencies including the Massachusetts Housing Finance Agency. The institution also provides financial support for services through grants to local community organizations. This approach has allowed Fidelity Management to structure a program that balances investments and grants to support activities by organizations that provide opportunities for economic development, home ownership and rehabilitation, and credit counseling.

Fidelity Management was last examined for compliance with the Community Reinvestment Act by the Commonwealth of Massachusetts Division of Banks on October 5, 1999. That examination resulted in a rating of Satisfactory.

Description of Assessment Area

Since Fidelity Management's primary business is the provision of financial and fiduciary services to employee benefit plans, institutional investors and Fidelity Group shareholders throughout the United States, its service area is the entire country. However, Fidelity Management recognizes its obligation to the community in which it has its physical location. In recognition of its responsibilities, Fidelity Management has placed special emphasis on those communities located in Suffolk County. The institution's assessment area consists of the cities of Boston, Chelsea, and Revere. This delineation is located within the Boston Metropolitan Statistical Area (MSA).

PERFORMANCE CRITERIA

The community development test considers the institution's community development activities, which are defined as community development lending, qualified investments and services with the primary purpose of community development. As defined under the CRA regulation, community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms and activities that revitalize or stabilize low and moderate-income geographies.

Because Fidelity Management does not extend any forms of credit the institution engages in community development activities primarily through philanthropic and service-related efforts. The level of Fidelity Management's qualified grant and service efforts is sufficient to meet the standards of satisfactory performance for the time period October 1, 1999 through September 30, 2001.

Fidelity Management has a seven-member CRA Committee that meets monthly and is chaired by the CRA Officer. In addition, the CRA Committee presents quarterly reports to the parent company's Board of Directors detailing the CRA efforts of Fidelity Management.

COMMUNITY DEVELOPMENT LENDING

Boston Community Loan Fund (BCLF)

In 2000, Fidelity Management invested \$250,000 in the BCLF. BCLF, which was designated as a Community Development Financial Institution (CDFI) in 1997, was established as a non-profit in 1985 to provide capital to community-based organizations and projects that might otherwise not be financed.

During the review period, the bank's investment represented approximately 3.6 percent of the fund's permanent capital at various intervals. According to the CRA regulations, institutions, at their option, may receive consideration for a pro-rata share of the organization's community development lending activity. Fidelity Management opted to

receive credit for BCLF's loans as an alternative to the amount of its qualified investment. The bank's pro-rata share of the fund's overall lending is \$440,492.

QUALIFIED INVESTMENTS

Fidelity Management has maintained an adequate level of community development investments for the time period covered by this examination. Fidelity Management made qualifying contributions totaling \$289,500 for the period October 1, 1999 through September 30, 2001. The following are examples of some of the major qualifying community development grants to various organizations and agencies over the time period covered by this examination.

Chelsea Restoration Corporation (CRC)

CRC is a small non-profit agency, which has been committed to being an integral part of the preservation and revitalization of Chelsea's Neighborhoods since its incorporation by local resident in 1977. CRC's mission is to provide quality housing for the city's low and moderate-income families.

Metropolitan Boston Housing Partnership (MBHP)

MBHP was formed in 1983 and promotes the development of affordable housing by providing a continuum of services. This organization's mission is to improve the quality of life by increasing the supply of safe affordable housing and to provide the widest possible range of housing opportunities for low-income families.

Citizens Housing and Planning Association (CHAPA)

CHAPA is the leading statewide housing policy and research organization in Massachusetts. Established in 1967, CHAPA represents all interests in the housing field, including non-profit and for-profit developers, advocates, homeowners, tenants, lenders, property managers, and government officials. The organization's mission is to encourage the production and preservation of housing that is affordable to low-income families and individuals.

Urban Edge Housing Corporation

The Urban Edge Housing Corporation is a community development corporation (CDC) primarily concerned with the development and stabilization of Boston's Jamaica Plain and Roxbury neighborhoods. Urban Edge sells tax credits to investors to raise the equity needed for its affordable housing projects and other community-based programs.

Investments

The following is a list of the CRA investments on the balance sheet of Fidelity Management Trust Company as of September 30, 2001. All investments were made at a par value of \$250,000:

- **Massachusetts Health and Education Facilities Authority Bond** - \$250,000
- **Massachusetts Housing Finance Agency Bond** - \$257,118
- **Massachusetts Housing Finance Agency Bond** - \$258,640

COMMUNITY DEVELOPMENT SERVICES

Although Officers of Fidelity Management have not offered financial or technical expertise to community development organizations, they do offer time to assist these organizations in other aspects. For instance, employees have assisted in painting hallways and stairwells of the men's unit of the Pine Street Inn as well as assist in serving lunch to homeless individuals. Members of management assist various homeless shelters and food banks throughout the year.

Fidelity Management also conducts a voluntary survey of employee community involvement on an annual basis. The purpose of the survey is to discover possible outlets which the company can use to ascertain the needs of community organizations that are currently being unfulfilled.

FAIR LENDING POLICIES AND PRACTICES

The institution does not provide extensions of credit or credit facilities. Due to the unique business nature of the institution, the stipulations of the Division of Banks Regulatory Bulletin 2.3-101 Fair Lending Policies and Procedures are difficult to apply.

Although Fidelity Management does not extend credit, management makes efforts to ensure that all individuals, both employees and clients are treated fairly. FMR, Fidelity Management's parent company, has affirmed its commitment to cultural diversity and equal employment opportunity. Fidelity Management's efforts to maintain a diverse workplace are grouped into the categories of recruitment, career development and training, business relationships, community programs and balancing work and family life. Fidelity Management's fair lending performance is determined to be adequate at this time.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

FIDELITY MANAGEMENT TRUST COMPANY

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **October 23, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at One South Station, Boston, MA 02110.

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that area shall also include the address of the designated office for that area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.